

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re Application of	:	Customer Number: 46320
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Bradford FISHER, et al.	:	Confirmation Number: 9674
	:	
Application No.: 10/672,777	:	Group Art Unit: 2443
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Filed: September 26, 2003	:	Examiner: K. Belani
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Appeal No. 2009-006321	:	
	:	
For: REAL-TIME SLA IMPACT ANALYSIS	:	

PETITION UNDER 37 C.F.R. § 41.3

Chief Administrative Patent Judge
Board of Patent Appeals and Interferences
US Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Petition seeks review of a procedural error in the Board's Decision on Request for Rehearing dated December 23, 2010, in which the Board denied Appellants' request that certain rejections be designated a new grounds of rejection pursuant to 37 C.F.R. § 41.50(b).

ISSUES PRESENTED

The first issue is whether the Board erred in failing to designate a ground of rejection as a "new ground" under 37 C.F.R. § 41.50(b) when

- (i) the Board expressly admits that the Board presented additional explanatory evidence and analysis supporting its finding,
- (ii) the Board, in the Decision on Appeal, relied upon new findings of fact as to the teachings of the Bartz reference,
- (iii) the Board, in the Decision on Appeal, relied upon new claims constructions that are new to the proceedings,
- (iv) the Board, in the Decision on Appeal, relied upon an obviousness analysis that is new to the proceedings, and
- (v) these findings of fact, claim constructions, and obviousness analysis were not presented by the Examiner during appeal.

The second issue is whether the Board erred in affirming the rejection based on grounds newly presented by the Board when 37 C.F.R. § 41.50(a)(1) only permits the Board to "affirm ... the decision of the examiner ... on the grounds ... specified by the examiner."

JURISDICTION

On September 22, 2010, the Board entered a Decision on Appeal affirming the Examiner's rejection of claim 11 under 35 U.S.C. § 102 and claim 1 under 35 U.S.C. § 103. On

November 22, 2010, Appellants filed a Request for Rehearing under 37 U.S.C. § 41.52. In the Request for Rehearing, Appellants asserted that the Board either misapprehended and/or overlooked certain arguments presented by Appellants in the Appeal Brief of March 3, 2008, and in the Reply Brief of July 14, 2008. Appellants also requested that the Board enter a new ground of rejection pursuant to 37 C.F.R. § 41.50(b).

On December 23, 2010, the Board entered a Decision on Request for Rehearing in which the Board disagreed that the Board either misapprehended and/or overlooked certain arguments presented by Appellants in the Appeal Brief and in the Reply Brief. The Board also denied Appellants' request that a new ground of rejection be designated pursuant to 37 C.F.R. § 41.50(b).

The issue of whether or not a decision by the Board constitutes a new grounds of rejection involves the question as to whether or not the Board followed the regulations of the Patent Office, and a review of this issue is a proper exercise of supervisory authority. See In re Oku, 25 USPQ2d 1155 (Comm'r Pat. 1992) ("[t]he designation of a new ground of rejection ... involves the important question of whether the Board followed PTO regulations established by the Commissioner [and] the Commissioner may exercise his supervisory authority on petition"). This Petition is timely filed within 14 days of the Decision on Request for Rehearing pursuant to 37 C.F.R. § 41.3(e).

STATEMENT OF LAW

An example of a "new grounds of rejection" was identified by the Federal Circuit within In re Kumar, 418 F.3d 1361, 1365 (Fed. Cir. 2005). A Final Office Action was issued in which claims 1-3, 5-16, and 19-22 were rejected under 35 U.S.C. § 103 based upon Rostoker alone or in view of Ueda. The Board of Patent Appeals & Interferences (hereinafter the BPAI) subsequent affirmed the Examiner's rejection based upon findings of fact (i.e., calculations) that were not presented by the Examiner. With regard to these new findings of fact, the Federal Circuit determined:

These calculations had not been made by the examiner, and according to the record were not presented during the argument of the appeal to the Board. The Board apparently made these calculations during its decision of the appeal. The Board included these calculations in an Appendix to its decision, holding that they support a *prima facie* case of obviousness and that Kumar's evidence had not rebutted the *prima facie* case.

In addressing rebuttal evidence that was presented (and refused consideration) in response to the BPAI's findings, the Federal Circuit further stated:

The values identified by the Board's calculations were not contained in the prior art or any examination record, but appeared for the first time in the Board's opinion. Although the PTO argues that the calculations the Board included in its decision were not new evidence, but simply an additional explanation of the Board's decision, these values produced and relied on by the Board had not previously been identified by the examiner or the Board. Kumar was entitled to respond to these calculations, and the Board committed procedural error in refusing to consider the evidence proffered in response.

In quoting In re Kronig, 539 F.2d 1300, 1302 (CCPA 1976), the Federal Circuit within Kumar stated "the ultimate criterion of whether a rejection is considered 'new' in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection." The Federal Circuit concluded that "the Board's calculations and its decision based thereon constituted a new ground of rejection." Thus, the introduction of new findings, even though these findings related to a previously-presented rejection, constituted a new grounds of rejection.

Referring In re DeBlauwe, 736 F.2d 699, 706 n.9 (Fed. Cir. 1984), the Federal Circuit further stated "[w]here the board makes a decision advancing a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale by submission of contradicting evidence").

In response to the BPAI denying a request that the BPAI designate a rejection as "new" and allow new evidence to be introduced, within In re Ansel, 852, F.2d 1294 (Fed. Cir. 1988) (designated as an Unpublished Disposition), the Federal Circuit stated:

We cannot agree with the board that its reasoning does not represent a significant shift in the basic thrust of the rejection. Not only do the rejections at issue here represent different views of what the cited references teach, they also require the applicants to respond in quite different manners.

ARGUMENT

1. The Board Admits that New Evidence and New Analysis was Presented in the Decision on Appeal

On page 11 of the Decision on Request for Rehearing, the Board made the following admission:

The panel discussed the Examiner's rejection ... [and] presented additional explanatory evidence and analysis supporting its finding of no error in the Examiner's rejection. (emphasis added)

As discussed within In re DeBlauwe, "[w]here the board makes a decision advancing a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale by submission of contradicting evidence"). Here, the Board admits that new evidence and new positions (i.e., analysis) were advanced by the Board in the Decision on Appeal. On this admission alone, without a need to consider any of the other arguments presented by Appellants in this petition, there is sufficient event to require that the Board's rejection of the claims be designated a new ground of rejection pursuant to 37 C.F.R. § 41.50(b).

2. The Board's Reliance on New Passages within Bartz Constitutes a New Grounds of Rejection

Referring to the statement of the rejection on pages 3 and 4 of the Examiner's Answer,¹ the only passages within Bartz cited by the Examiner is column 9, line 30 through column 10, line 11. On page 18 of the Examiner's Answer, the Examiner newly cited column 11, lines 33-45 of Bartz. Referring to pages 5-7 of the Decision on Appeal, regarding Findings of Fact 1-3 as to Bartz, the Board cites to a multitude new passages with Bartz. For example, Finding of Fact 1

¹ See also pages 2-4 of the Second Office Action and pages 2-3 of the First Office Action.

refers to column 2, lines 14-17; column 2, lines 19-21; column 2, lines 26-27; column 2, lines 28-34; and column 9, line 30 through column 12, line 8. Notably, most of these passages were not cited by the Examiner.

Referring to Finding of Fact 2, the Board cites column 3, lines 7-48 and column 3, lines 20-27. However, none of these passages were cited by the Examiner. As such, Finding of Fact 2, in its entirety, is new to the proceedings.

Referring to Finding of Fact 3, the Board cites to certain previously cited passages within Bartz but also newly cites to column 10, lines 24-49; column 10, line 11 through column 11, line 32, and column 11, line 46 through column 12, line 11; and column 13, lines 25-63. As stated within In re Kumar, it is procedural error to deny Appellants an opportunity to respond to findings that "had not previously been identified by the examiner or the Board."

3. The Board's Reliance of *In re DBC* is Improper

Referring to the paragraph spanning pages 17 and 18 of the Request for Rehearing, the Board made the following assertions:

In particular, citing to a different portion of an applied reference, which "goes no farther than, and merely elaborates upon, what is taught by" the previously-cited portion of that reference relied upon by the examiner, does not constitute a new ground of rejection. *See In re DBC*, 545 F.3d 1373, 1382 n.5 (Fed. Cir. 2009). Thus, we disagree with Appellants expansive interpretation of *Kumar* that "the introduction of new findings, even though these findings related to a previously-presented rejection, constituted a new grounds of rejection." (Req. Reh'g. 8.)

The facts associated with In re DBC, as it pertains to the new ground allegation, is particularly unusual and not consistent with the facts of the present application. Footnote 5 of In re DBC, which was cited by the Board, is reproduced below:

DBC also argues that the Board's decision constitutes a new ground of rejection because the Board cited the English translation of JP '442, while only the English translation of the abstract of that document was before the examiner. We discern no merit in this argument. As we discuss *infra*, the Board's use of the example in the translation goes no farther than, and merely elaborates upon, what is taught by the abstract.

The English translation² of the Abstract relied upon by the Examiner is reproduced below:

PROBLEM TO BE SOLVED: To obtain the genus *Legionella* bacteria-resistant composition which has no adverse effect, shows safety even when formulated to food and drink and can strongly inhibit the proliferation of the genus *Legionella* bacteria.

SOLUTION: The genus *Legionella* bacteria-resistant composition contains one or more than two kinds of extracts selected from the extracts from *Isodon japonicus* Hara, *Magnolia biloba* (Rehd. Et Wils.) Cheng, *Magnolia obovata* Thunb., *Zingiber officinale* L. Rosc., *Lonicera japonica* Thunb., *Schizonepeta tenuifolia* Briquet var. *japonica* Kitagawa, *Astragalus sinicus* L., *Alpinia katsumadai* Hayata, *Lycopus lucidus* Turcz., *Lycopersicum esculentum* Mill., *Buddleja officinalis* Maxim., *Alpinia oxyphylla* Mig., *Prunus mandshurica* (Maxim.) Kohme, *Psidium guajava* L. leaf, *Trachycarpus excelsa* Wendl. leaf, *Nandina domestica* Thunb. leaf, *Eucalyptus globulus* Labill. leaf, *Artemisia vulgaris* L. var. *Indica* Maxim., *Psidium guajava* L. fruit, *Stevia*, *Mangosteen* rind, *Morus bombycis* Koidz. bark, *Catnip*, *Cardamon*, *Sweet violet*, *Tarragon*, *Chive*, *Hyssop*, *Blackberry*, *Mugwort*,

² This translation was taken from using a search on the following search screen of Japanese Patent Office <http://www19.ipdl.inpit.go.jp/PA1/cgi-bin/PA1NUMBER>.

Monarda, Tokoro, Raspberry, Rosemary, Wild Strawberry or Propolis as active ingredients.

In the Decision on Appeal, Appeal No. 2007-1907 (August 24, 2007), the Board relied upon the following findings regarding JP '422 on page 11, lines 14-17:

Of record in the rejection is JP '442, which discusses the known medicinal qualities of pericarp. Of particular interest is Example 6, found on page 16 of the translation, which describes a drink which includes orange juice, water, and an extract of pericarp.

The Board also recognized that Example 6 referred to the extract of pericarp being from the fruit of a *Garcinia mangostana* L. tree (see lines 20-21 on page 11 of Appeal No. 2007-1907).

These findings were directed to Claim 1, which claimed:

pericarp from fruit of a *Garcinia mangostana* L. tree; and
a first juice from fruit of a *Garcinia mangostana* L. tree; and
at least one second juice selected from the group consisting of fruit juice
and vegetable juice.

Therefore, the Abstract teaches "two kinds of extracts," of which a Mangosteen³ rind⁴ (i.e., pericarp) is included as well as one of another fruit. Example 6 of JP '442 also teaches an extract of a Mangosteen pericarp in addition to another fruit. Simply put, the Examiner relied upon the Abstract of JP '442 to teach a composition including the pericarp of Mangosteen and the juice of another fruit. Although relying upon Example 6, the Board also relied upon JP '442 to teach the pericarp of Mangosteen and the juice of another fruit. Therefore, what was disclosed

³ Mangosteen is the common name for *Garcinia Mangostana*.

⁴ The outer layer of a fleshy fruit is called a "pericarp," also known as a rind.

in Example 6 of the JP '422 "goes no farther than, and merely elaborates upon, what is taught by the abstract." On this basis, the Federal Circuit disagreed that a new grounds of rejection had been entered. These facts are not comparable to the facts at issue in the present Petition.

Referring again to the above-reproduced passage from the Decision on Request for Rehearing, in which after citing to In re DBC, the Board asserted "[t]hus, we disagree with Appellants expansive interpretation of *Kumar* that 'the introduction of new findings, even though these findings related to a previously-presented rejection, constituted a new grounds of rejection.' (Req. Reh'g. 8.)." Appellants respectfully disagree with the Board's interpretation of In re DBC as it relates to the case law discussed within In re Kumar. The fact pattern at issue within In re DBC did not involve new findings of fact. On the contrary, within In re Kumar, new findings of fact were made by Board with respect to a previously-presented rejection, and on this basis, the Federal Circuit determined that the designation of a new grounds of rejection was necessary. Thus, Appellants maintain that *Kumar* stands for the proposition that the introduction of new findings, even though those findings relate to a previously-presented rejection, constitutes a new grounds of rejection.

4. The Board's Requirements for a Separate Showing of Changing the Thrust of Rejection is Not Supported By the Case Law

In the first full paragraph on page 18 of the Request for Rehearing,

With respect to Appellants' general contention that the newly cited portions of *Bartz* constitute a new ground of rejection (Req. Reh'g. 10), we note that Appellants do not specifically point out how the newly cited portions change the thrust of the rejection, or even which newly cited portions purportedly change

the thrust of the rejection. *See Kumar*, 418 F.3d at 1368; *Kronig*, 539 F.2d at 1303. Requests for rehearing “must state with particularity the points believed to have been misapprehended or overlooked by the Board.” 37 C.F.R. § 41.52(a)(1); *see Frye*, 94 USPQ2d at 1075-1076. Moreover, we disagree that the original panel’s citation of different portions of Bartz constitutes a new ground of rejection, as the cited portions merely elaborates upon and clarify the previously discussed teachings of Bartz relied upon by the Examiner. *See DBC*, 545 F.3d at 1382.

Although the Board asserted that "Appellants do not specifically point out how the newly cited portions change the thrust of the rejection, or even which newly cited portions purportedly change the thrust of the rejection," the case law does not support a requirement that the Appellants be burdened with producing evidence with regard to the change in the thrust of the rejection.

In re Kumar, which has already been discussed, does not describe a requirement that Appellants must "specifically point out how the newly cited portions change the thrust of the rejection, or even which newly cited portions purportedly change the thrust of the rejection." Instead, the Federal Circuit noted that the "Board found facts not found by the examiner regarding the differences between the prior art and the claimed invention, which in fairness required an opportunity for response."

The Federal Circuit also stated the following within In re Ansel:

We cannot agree with the board that its reasoning does not represent a significant shift in the basic thrust of the rejection. Not only do the rejections at issue here

represent different views of what the cited references teach, they also require the applicants to respond in quite different manners.

Notably, the Federal Circuit's holding was not based upon a showing, by Appellants, that the reasoning presented by the Board constituted a significant shift in the basic thrust of the rejection. Instead, the Federal Circuit's holding was based upon the Board failing to present a sufficient showing to show that the Board's analysis did not represent a significant shift in the basic thrust of the rejection. Therefore, the Federal Circuit did not look to Appellants to present a showing. Instead, the Federal Circuit placed the burden on the Board to explain why the Board's reasoning does not constitute a change in the thrust of the rejection (i.e., a showing that the Board's reasoning finds its genesis within the reasoning originally presented by the Examiner).

The Board's citation to both 37 C.F.R. § 41.52(a)(1) is both inappropriate to the circumstances and explains why the production of such evidence, as requested by the Board, is inappropriate at the time of filing the Request for Rehearing. As discussed in 37 C.F.R. § 41.52(a)(1), a Request for Rehearing is limited to "the points believed to have been misapprehended or overlooked by the Board. Arguments not raised in the briefs before the Board and evidence not previously relied upon in the brief." However, the issue of "new grounds" introduced by the Board is one that could not have been addressed in either the Appeal Brief or the Reply Brief since these preceded the introduction of the new grounds in the Decision on Appeal. Therefore, under 37 C.F.R. § 41.52(a)(1), Appellants cannot identify any points raised in the briefs that were either misapprehended or overlooked since it was impossible to raise those points at the time the briefs were prepared.

The only exceptions to the rule are found in subsections (a)(2) and (a)(3), which respectively permit the presentation of "a new argument based upon a recent relevant decision of either the Board or a Federal Court" and "[n]ew arguments responding to a new ground of rejection made pursuant to § 41.50(b)." The issue surrounding the Board's failure to designate new grounds of rejection does not involve a recent relevant court decision, and thus, subsection (a)(2) is not applicable. Moreover, since the Board did not designate the grounds of rejection as being new under 37 C.F.R. § 41.50(b), which is the issue at hand, Appellants cannot produce new evidence/arguments under this subsection as well. Therefore, the very fact that the Board failed to designate the new grounds of rejections has hampered Appellants' ability to address the Board's new grounds of rejection.

The problem faced by Appellants mirrors the problems faced by Appellants within In re Kumar. Within In re Kumar, after the Board introduced new factual findings, the Appellants filed a Request for Rehearing and submitted a declaration to rebut the Board's new factual findings. As characterized by the Federal Circuit, "[t]he Board refused to consider Professor Singh's declaration, ruling that Kumar had not shown good and sufficient reason why it was not earlier presented." The same problem faces Appellants. On one hand, the Board is requesting a legally-unsupported showing in the Request for Rehearing, yet on the other hand, any evidence that supports such a requested showing faces not being considered under 37 C.F.R. § 41.52 as being improperly presented since it was not first presented in the briefs and does not fall under either of the two exceptions.

5. The Board's Reliance on New Claim Constructions Constitutes a New Grounds of Rejection

Referring to the paragraph spanning pages 13 and 14 of the Decision, the Board presents claims constructions as to following claim language: "underlying resource," "at least one resource upon which the underlying resource depends," "resource," "receiving an event," and "event." However, none of these claim constructions were presented by the Examiner, which constitutes the advancement of new positions/rationales. Under In re DeBlauwe, "[w]here the board makes a decision advancing a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale by submission of contradicting evidence."

In response to these arguments, referring to the paragraph spanning pages 18 and 19 of the Decision on Request for Rehearing, the Board asserted the following:

Similarly, with respect to Appellants' contentions that the original panel's construction, with respect to claim 11 (Req. Reh'g. 12) and claim 1 (Req. Reh'g. 13), of several claim terms constitute a new ground of rejection, Appellants do not specifically point out how the construction of the claim terms changes the thrust of the rejection – representing a new rationale or position. To the contrary, the panel merely responded to Appellants' arguments by clarifying the issues and presenting supporting evidence and analysis. (emphasis added)

As previously noted, the Federal Circuit has placed the burden of making the showing as to whether or not a new rationale or position does not change the basic thrust of the rejection on the Board. Thus, the Board has improperly placed, on Appellants, the burden of explaining how the construction of the claim terms changes the thrust of the rejection.

The Board's analysis also fails to acknowledge the importance of claim construction during prosecution. In order to make a proper comparison between the claimed invention and the prior art, the language of the claims must first be properly construed. See Medichem, S.A. v. Rolabo, S.L., 353 F.3d 928, 933 (Fed. Cir. 2003) ("Both anticipation under § 102 and obviousness under § 103 are two-step inquiries. The first step in both analyses is a proper construction of the claims. ... The second step in the analyses requires a comparison of the properly construed claim to the prior art") (internal citations omitted); Panduit Corp. v. Dennison Mfg. Co., 810 F.2d 1561, 1567-68 (Fed. Cir. 1987) (In making a patentability determination, analysis must begin with the question, "what is the invention claimed?" since "[c]laim interpretation, . . . will normally control the remainder of the decisional process."). The importance of claim interpretation during prosecution was acknowledged in a paper entitled "Effective Appellate Advocacy in Ex Parte Appeals Before the Board of Patent Appeals and Interferences," written by Chief Administrative Judge Michael Fleming et al., in which it is stated that, oftentimes, "an issue turns on claim interpretation."

As stated in the above-reproduced case law, claim interpretation is an important first step since the analysis that follows a claim interpretation necessarily depends upon the interpretation of the claim language. Thus, by its very nature, changing a claim construction or presenting a new claim construction for the very first time necessarily changes the basic thrust of the rejection since the analysis (e.g., comparing the applied prior art to the construed claim language) that follows a new claim construction will also change. In these circumstances designation of a new grounds is necessary. See Ex Parte Agapi, Appeal No. 2009-005273 (November 22, 2010)

(agreeing to designate a new grounds of rejection based upon arguments that "Appellants have not had a fair opportunity to argue the issues with respect to our claim interpretation nor has the Examiner had the opportunity to consider the claimed invention as interpreted by us"); Ex parte Adams, Appeal No. 2009-008619 (September 2, 2010) (designating a new grounds of rejection based upon an "unreasonable claim construction" by the Examiner that was subsequently re-construed by the Board); Ex parte Sanders, Appeal No. 2009-011895 (June 28, 2010) ("in the interest of fairness to Appellants, we have vacated the Examiner's rejection and enter the new grounds of rejection based on the above claim interpretation.")

6. The Board's Reliance on Additional New Claim Constructions Constitutes a New Grounds of Rejection

Referring to the paragraph spanning pages 16 and 17 of the Decision on Appeal, the Board also newly presents claim constructions regarding the claimed "specific resource" and "another resource." Specifically, the Board asserted the following:

Based on the record before us, we find no error in the Examiner's obviousness rejection of representative claim 1. We agree with the Examiner that the Main and Bartz references would have collectively taught or suggested the disputed limitations of representative claim 1. As with claim 11 *supra*, we begin our analysis by construing Appellants' disputed claim limitations, and we broadly but reasonably construe Appellants' recited resources – Appellants' "specific resource" and "another resource" – as meaning a source of something useful, such as a source of information or a service provider, or an asset, for example, a data processing job performed by a mainframe computer or a computing resource such as CPU time. (emphasis added)

Not only are these claim constructions new grounds of rejection, the full extent of these claim constructions are unsupported. Referring to page 13, line 22 through page 14, line 11 of the Request for Rehearing, Appellants presented arguments that the Board's new claim constructions were improper and "entirely different than the analysis presented by the Examiner" (emphasis added).

The Board's response to these arguments is found in the paragraph spanning pages 19 and 20 of the Decision on Request for Rehearing. As in response to Appellants' other identification of new grounds of rejection in the Board's Decision on Appeal, the Board responded by improperly placing the burden on Appellants to explain how the construction of the claim terms changes the thrust of the rejection.

As discussed on page 14, lines 5-6 of the Request for Rehearing, the Examiner's interpretation as to what constitutes a "resource" includes "processor or CPU, memory, and disk storage." In contrast, the Board's interpretation as to what constitutes a "resource" includes "a source of information or a service provider," "a data processing job," and "CPU time." These interpretation very different from one another. Moreover, since the new claim construction presented by the Board changes how the claim language at issue is compared to the applied prior art, such a new claim construction constitutes a new grounds of rejection. Appellants' briefs are based upon the Examiner's comparison of the claim language using the Examiner's claim construction – not how the Board has interpreted the claim language. Thus, Appellants have not had a fair opportunity to react to the Board's change in the basic thrust of the rejection.

Referring to the last line of the Board's analysis in the paragraph spanning pages 19 and 20 of the Decision on Request for Rehearing, the Board asserts:

(See Ans. 5, 20-22 (discussing Main's disclosure of computing resources such as main frame computers (including resources such as CPUs and memory) that run batch jobs, as well as ABENDs that implicate resources such as CPU time, memory space and disk storage).)

As an aside, Appellants note that the Board intended to refer to page 20 of the Examiner's Answer, not page 5. The Board's substantive analysis refers to objects (i.e., ABENDs) that "implicate resources." Appellants' position is that something that *implicates* a resource (e.g., an ABEND, batch jobs, CPU time, etc.) is not the same as the claimed "specific resource" itself. However, the determination of whether or not the Board's claim interpretation is either correct or incorrect is a substantive issue that the Board should have permitted Appellants to directly address by designating these new claim interpretations as new grounds of rejection.

7. The Board's Reliance upon a New Obviousness Rationale Constitutes a New Grounds of Rejection

Referring to the paragraph spanning pages 19 and 20 of the Decision on Appeal, the Board asserted the following:

Even if we assume, *arguendo*, that Appellants are correct, and the Examiner has failed to show that Bartz explicitly discloses that server 1 violating "SLO 1 affects how server 2 meets SLO 2" (Reply Br. 4), this does not amount to evidence (or even argument) that such a relationship is beyond the understanding or skill of one skilled in the art, i.e., that Bartz would not have taught or suggested such a relationship to a skilled artisan. See *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1327 (Fed. Cir. 2008); *Leapfrog Enters., Inc. v. Fisher-Price, Inc.*, 485

F.3d 1157, 1161 (Fed. Cir. 2007) (Relying on the common sense of those skilled in the art, as well as Leapfrog's failure to present evidence that the modification was beyond the skill of those skilled in the art, the Federal Circuit found a proposed modification to the prior art obvious.)

This position and/or rationale for upholding the Examiner's obviousness rejection was never presented by the Examiner and is a position and/or rationale newly advanced by the Board to the proceedings. Thus, designation of a new grounds of rejection is necessary.

The Board improperly presumes that the rational underpinning has been presented and then improperly shifts the burden to Appellants to establish "such a relationship is beyond the understanding or skill of one skilled in the art." "In rejecting claims under 35 U.S.C. § 103, the examiner bears the initial burden of presenting a *prima facie* case of obviousness." In re Rijckaert, 9 F.3d 1531, 1532 (Fed. Cir. 1993) (citing In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). Only after the *prima facie* case of obviousness has been made does the burden shift to Appellants to establish non-obviousness.

On October 10, 2007, the Patent Office issued the "Examination Guidelines for Determining Obviousness Under 35 U.S.C. 103 in View of the Supreme Court Decision in *KSR International Co. v. Teleflex Inc.*," 72 Fed. Reg. 57,526 (2007) (hereinafter the Examination Guidelines for Determining Obviousness). Referring to rationale (C), as discussed on page 57,530 of the Examination Guidelines for Determining Obviousness, the following findings of fact must be articulated:

(1) a finding that the prior art contained a "base" device (method, or product) upon which the claimed invention can be seen as an "improvement;"

(2) a finding that the prior art contained a "comparable" device (method, or product that is not the same as the base device) that was improved in the same way as the claimed invention;

(3) a finding that one of ordinary skill in the art could have applied the known "improvement" technique in the same way to the "base" device (method, or product) and the results would have been predictable to one of ordinary skill in the art; and

(4) whatever additional findings based on the Graham factual inquiries may be necessary, in view of the facts of the case under consideration, to explain a conclusion of obviousness.

Included within the discussion on Rationale (C) in the third column on page 57,530 of the Examination Guidelines for Determining Obviousness is the following statement:

The rationale to support a conclusion that the claim would have been obvious is that a method of enhancing a particular class of devices (methods, or products) was made part of the ordinary capabilities of one skilled in the art based upon the teaching of such improvement in other situations. One of ordinary skill in the art would have been capable of applying this known method of enhancement to a “base” device (method, or product) in the prior art and the results would have been predictable to one of ordinary skill in the art. The Supreme Court in KSR noted that if the actual application of the technique would have been beyond the skill of one of ordinary skill in the art, then using the technique would not have been obvious. If any of these findings cannot be made, then this rationale cannot be used to support a conclusion that the claim would have been obvious. (emphasis added)

The language employed by the Board that "such a relationship is beyond the understanding or skill of one skilled in the art" flows from the application of Rationale (C). As stated therein, if any of the findings reproduced above, labeled (1)-(4), cannot be made, then this

rationale cannot be used. Notably, this passage does not require that Appellants present evidence that "such a relationship is beyond the understanding or skill of one skilled in the art," as required by the Board in the Decision on Appeal.

Although Appellants could present evidence that "such a relationship is beyond the understanding or skill of one skilled in the art," this evidence would only be needed after the Examiner/Board has presented the findings discussed above that pertain to this particular obviousness concept. The Examiner did not make these findings and did not rely upon this particular rationale in the statement of the rejection. Instead, the Board presumed, without basis, that such findings were made and then shifted the burden on Appellants to present evidence that "such a relationship is beyond the understanding or skill of one skilled in the art." The (i) presumed findings of fact that must necessarily be made before Rationale (C) can be employed, (ii) Board's implied reliance upon Rationale (C), and (iii) Board's shifting of the burden to Appellants to rebut this newly presented analysis all constitutes the advance of positions/rationales new to the proceedings. As stated within In re DeBlauwe "[w]here the board makes a decision advancing a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale by submission of contradicting evidence."

The Board's response to Appellants' arguments are found in the first full paragraph on page 20 of the Decision on Request for Rehearing. Notably, the Board asserts, in part, the following:

Appellants do not explain how the panel's position changes the thrust of the rejection. We disagree with Appellants' assertion that the panel's explanation is a

new rationale, much less a new rationale or position warranting a new ground of rejection. To the contrary, the panel merely responded to Appellants' arguments by enumerating several reasons for finding Appellants' arguments unpersuasive, including, that Appellants failed to establish the that the "relationship" was "beyond the understanding or skill of one skilled in the art" (Req. Reh'g. 15). (Dec. 19.) For the reasons set forth in the Decision and above, we disagree with Appellants' contention that the panel presented new rationale or positions warranting any new ground of rejection.

Although the Board disagrees that "the panel's explanation is a new rationale," the Board cannot point to anywhere in the Examiner's analysis that serves as the genesis for the Board's analysis. The Examiner's explicitly stated obviousness analysis is found on the last full paragraph on page 6 of the Examiner's Answer and is reproduced below:

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include the step of determining whether based upon said event said specific resource inhibits another resource from performing adequately to meet a term within said SLA which does not directly implicate said specific resource, but directly implicates said another resource, as taught by Bartz et al., in the method of Main et al., so that proper determination can be made for the root cause of SLA violation by analyzing the relationship between different resources.

Entirely absent from this obviousness analysis is any assertion that could be reasonably construed as invoking Rationale (C) of the Examination Guidelines for Determining Obviousness. Also, entirely absent from this obviousness analysis is any assertion shifting the burden to Appellants to present evidence that "such a relationship is beyond the understanding or skill of one skilled in the art." Thus, the Board's disagreement with Appellants' assertion that "the panel's explanation is a new rationale" is unfounded.

The Board's analysis also ignores the condition precedent for this new rationale. Specifically, the Board began the analysis by asserting "if we assume, *arguendo*, that Appellants are correct, and the Examiner has failed to show that Bartz explicitly discloses that server 1 violating "SLO 1 affects how server 2 meets SLO 2." Thus, the Board's analysis is conditioned on the basis that even if a portion of Appellants' arguments is correct, the Board was relying upon the enunciated new positions. However, the Examiner never conceded the point at issue to Appellants nor presented an argument in the alternative. The argument in the alternative was presented by the Board and the Board alone. Appellants could not have been aware of this argument in the alternative since it was not made by the Examiner and could not have been predicted. Thus, Appellants did not have a fair opportunity to respond to this argument in the alternative that was newly presented by the Board.

8. The Board did not Affirm the Rejection on the Grounds Specified by the Examiner

Under 37 C.F.R. § 41.50(a)(1), "[t]he Board, in its decision, may affirm or reverse the decision of the examiner in whole or in part on the grounds and on the claims specified by the examiner" (emphasis added). Therefore, an affirmance of the rejection must be made on the grounds specified by the Examiner. This section of the C.F.R. further goes on to state "[t]he affirmance of the rejection of a claim on any of the grounds specified constitutes a general affirmance of the decision of the examiner on that claim" (emphasis added). The "grounds specified" refers back to the grounds specified by the Examiner. Therefore, an affirmance of the rejection cannot be made on grounds specified by the Board. Instead, the Board must follow 37 C.F.R. § 41.50(b), which states "[s]hould the Board have knowledge of any grounds not involved

in the appeal for rejecting any pending claim, it may include in its opinion a statement to that effect with its reasons for so holding, which statement constitutes a new ground of rejection of the claim."

A fundamental issue associated with any review of a rejection by the Board is whether or not the Examiner has established a *prima facie* case of unpatentability. The Examiner has the initial burden to set forth the basis for any rejection so as to put Appellants on notice of the reasons why Appellants are not entitled to a patent on the claim scope that Appellants seek – the so-called "*prima facie* case." *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984). Additionally, the "[t]he examiner's action will be complete as to all matters," 37 C.F.R. § 1.104(b), and "[t]he pertinence of each reference, if not apparent, must be clearly explained." 37 C.F.R. § 1.104(c). Reference is also made to 37 C.F.R. § 1.2, which states "[t]he action of the Patent and Trademark Office will be based exclusively on the written record in the Office." Therefore, without the need for "clarifying the issues and presenting support evidence and analysis," the Examiner's rejection must be complete, in all respects, in order for a *prima facie* case of unpatentability to be made.

The admitted fact that the Board felt a need to "[clarify] the issues and [present] supporting evidence and analysis" (lines 1-3 on page 19 of the Decision on Request for Rehearing) is an implicit admission that the Examiner's *prima facie* case was not sufficiently clear and did not include the necessary evidence and analysis so as to put Appellants on notice of the reasons why Appellants are not entitled to a patent. Had the Examiner's appealed rejection been sufficient to establish a *prima facie* case of unpatentability, there would be no need for the

Board to "[clarify] the issues and [present] supporting evidence and analysis." However, the Board, in recognizing that the Examiner did not present a *prima facie* case of unpatentability, felt the need to introduce new findings of fact, new claim constructions, and a new obviousness analysis.

Instead of affirming the rejection based upon the Board's new grounds of rejection. The Board should have reversed the Examiner "on the grounds and on the claims specified by the Examiner" as failing to present a *prima facie* case of patentability. Additionally, because the Board felt that a rejection of the claims, based upon the applied prior art, was still justified, the Board should have designated a new grounds of rejection pursuant to 37 C.F.R. § 41.50(b), which would permit Appellants to avail themselves of either 37 C.F.R. 41.50(b)(1) to reopen prosecution or 37 C.F.R. 41.50(b)(2) to request rehearing.

By improperly failing to reverse the Examiner under 37 C.F.R. § 41.50(a)(1) and not designating a new grounds of rejection under 37 C.F.R. § 41.50(b), the Board's action will lead to irreparable harm to Appellants' patent rights. Under 35 U.S.C. § 154(b)(1)(C), "the term of a patent shall be extended 1 day for each day of the pendency of the proceeding [of the Board of Patent Appeals and Interferences]" in which there was "a decision in the review reversing an adverse determination of patentability." Otherwise, under 35 U.S.C. § 154(b)(1)(B)(ii), Appellants will not be entitled to patent term adjustment for "any time consumed by appellate review by the Board of Patent Appeals and Interferences."

Put simply, unless the Examiner is reversed (i.e., "a decision in the review reversing an adverse determination of patentability"), Appellants will not be entitled to nearly 3 years⁵ of patent term adjustment under 35 U.S.C. § 154(b)(1)(B). Although Appellants can address the Board's undesignated new grounds of rejection by introducing new evidence/arguments in connection with the filing of a Request for Continued Examination (RCE) under 35 U.S.C. § 132(b), this filing of the RCE tolls the accrual of patent term adjustment pursuant to 37 C.F.R. § 1.702(a)(1). Therefore, the administrative remedy, available to Appellants, of filing a RCE would cease the accumulation of patent term adjustment under 35 U.S.C. § 154(b)(1)(B), thereby reducing Appellants' patent rights and constituting irreparable harm.

The title of subsection 154(b)(1)(B) of the 35 U.S.C. is "GUARANTEE OF NO MORE THAN 3-YEAR APPLICATION PENDENCY." The responsibility for the failure of a *prima facie* case of unpatentability being presented during prosecution rests with the Examiner and, by extension, the Patent Office. It was this failure by the Examiner to present a *prima facie* case of unpatentability that forced the Board to "[clarify] the issues and [present] supporting evidence and analysis" by introducing new findings of fact, new claim constructions, and a new obviousness analysis. Therefore, the responsibility for the delay in prosecuting the present application rests with the Patent Office and not Appellants.

In order for Appellants to be made whole under the guarantee provided by 35 U.S.C. § 154(b)(1)(B), Appellants respectfully request that a Decision be issued in which "the decision of

⁵ Under 37 C.F.R. § 1.703, the period of adjustment is "the period beginning on the date on which a notice of appeal to the Board of Patent Appeals and Interferences was filed under 35 U.S.C. 134 and § 41.31 of this title and ending on the date of a final decision in favor of the applicant by the Board of Patent Appeals and Interferences."

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the examiner [is] reversed in whole or in part on the grounds and on the claims specified by the examiner" pursuant to 37 C.F.R. § 41.50(a)(1).

PRAYER FOR RELIEF

Appellants respectfully request that the Board's rejection of claims 1 and 11 be designated a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). Additionally, Appellants respectfully request that a Decision be issued in which "the decision of the examiner [is] reversed in whole or in part on the grounds and on the claims specified by the examiner" pursuant to 37 C.F.R. § 41.50(a)(1).

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 09-0461, and please credit any excess fees to such deposit account.

Date: January 6, 2011

Respectfully submitted,

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CUSTOMER NUMBER 46320